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SENSITIVE
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STATE FOR PM/DTCC JOUBERT-LIN

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [AS](#)
SUBJECT: BLUE LANTERN: BROKER INQUIRY K-2000

REF: SECSTATE 94180

1. (SBU) Econoff conducted a site visit with GRAEME CLARE of CLARE MANAGEMENT AND TRAINING, located at 49 SEVERNE ST., GREENLEIGH NSW on October 22. The following information is intended to answer questions in reftel:

-- Confirm that this entity is in the business of brokering defense articles and defense services at the location(s) indicated under its legal name(s);

A: According to Clare, he is the Australia and New Zealand broker for ITT and operates only out of this location. Clare said that, on November 1, 2009, he will become Managing Director for the new ITT Defence Australia Pty. Ltd., a direct employee of ITT, and no longer a broker for their products or services. At that point, he will allow his broker registration to lapse as future activities will be covered under ITT export licenses or TAAs.

-- Determine whether this entity is authorized to conduct such activities in its home country, whether the entity has any criminal or other derogatory background, and whether Post has any information on its brokering or arms export activities that may involve proscribed entities such as countries under U.S. or international sanctions, or designated state sponsors of terrorism;

A: There is no legal requirement for an entity to be licensed or reviewed by the Australian Defense Export Control Office for brokering services. However, DECO did agree to run this entity through its database. No derogatory information or record of CLARE MANAGEMENT AND TRAINING ever having applied to export goods requiring a DECO license in Australia was found.

-- Will the brokering firm be handling or storing USML items on behalf of its clients? If so, does it have secure facilities and proper accounting and security procedures for handling sensitive USML items?

A: Clare said that he does not store any items at his business location, and that demonstration items are not usually required as his primary customer, the Australian Department of Defence, is almost always aware of exactly what capabilities they need.

-- When was the company established and who are its principals? How many employees?

A: Clare has been ITT's broker for three years. He is currently the only broker in Australia, but will hire additional employees once he is brought into the ITT corporate structure.

-- What is the nature of its business and what other types of

items does it handle?

A: Clare brokers foreign military sales contracts and other procurement deals between ADOD and New Zealand armed forces and ITT units in the U.S. These include electronic warfare systems, night vision devices, air traffic control systems and other military equipment.

-- What types of organizations are among its typical clients and in what countries are they located?

A: The Departments of Defence in both Australia and New Zealand are his primary customers. ITT uses a separate broker based in Seoul for all other Asian countries.

-- Does the company understand the restrictions on USML items, especially the prohibition against unauthorized re-transfers and re-exports?

A: Clare works closely with ITT in the U.S., the Department of Defense Office of Defense Cooperation in Canberra, and the ADOD, and is fully aware of ITAR regulations. Clare said that there is little need or incentive for the company to try and shortcut procedures for Australian and New Zealand orders, as they procure on a relatively similar time scale as U.S. defense customers.

12. (SBU) Please advise if follow-on questions are necessary
Q2. (SBU) Please advise if follow-on questions are necessary to verify the bona fides of this individual or entity.

CLUNE